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Competitiveness as an Indicator of Sustainable Development of Tourism: Applying Destination Competitiveness Indicators to Ethiopia

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Abstract. Competitiveness can be applied to predict the economic sustainability of tourism in destinations which has been measured in terms of leakages and linkage related to employment and income generation opportunities to the destinations. This article examines destination competitiveness of Ethiopia based on the analyses of administrative records, academic journals, face-to-face discussion with the key industry players and email communication. The main objective of this study is to assess sustainability of economic benefits of tourism for Ethiopia by applying destination competitiveness indicators. The result shows that potential destination competitiveness is significant for the growth of tourism and its economy especially to employment and income generation in Ethiopia. As the competitiveness of Ethiopia is being improved, it will result in the increase of tourist arrivals that will sustain economic benefits of tourism.

Keywords: Tourism Ethiopia, Destination Competitiveness, Sustainable Economic Benefits of Tourism, Tourism Strategic Issues, Tourism Policy

1. Introduction

Tourism can have an important role for sustainable development (Webster & Ivanov, 2013), helping to create income and employment opportunities for the host society (UNWTO, 2005). Meanwhile, competitiveness of tourist destination is a determinant factor to attract many visitors and to maximize its benefits (Crouch & Ritchie, 2005; Dwyer & Kim, 2003; Navickas & Malakauskaite, 2009; Vanhole, 2006). Competitiveness in tourism is a factor that makes a given destination attractive to visitors and enhances the socio-cultural, economic and environmental benefits of tourism to the destination (Vanhole, 2006; Ritchie & Crouch, 2005; Armenska, 2011).

Therefore, the assumption in the literature of destination competitiveness is that destination competitiveness enhances sustainable development of tourism which means competitive destination brings high benefits to the host society. Although, according to Webster & Ivanov (2013) concluded that destination competitiveness has no significant role in economic contribution of tourism in destinations, others claim this to be a good indicator for sustainable tourism (UNWTO, 2004; Armenska et al, 2011), Kim (2012) concluded from his study that relationships are not universally applicable, but his results support the tourism-led growth hypothesis.

This study aims to investigate destination competitiveness for Ethiopia to assess the sustainable economic contribution of tourism. The study adopts competitiveness as a way of indicating economic sustainability of tourism in a destination. Sustainable economic development of tourism is pushing the economic benefits of tourism related to income and employment opportunities in the host society while reducing the leakage and seasonality (UNWTO, 2004). According the UNWTO (2004) study on sustainable economic development indicators, the economic linkage/leakage related to employment, ownership and income distribution, and seasonality of the tourist arrivals is the main indicator to evaluate an economic dimension of sustainable development tourism at a given destination.

In this study, the authors review scientific publications, administrative records, tourism development strategies and statistical sources to depict the competitiveness of Ethiopia's tourism. They analyze the destination competitiveness in Ethiopia to assess the sustainable growth of tourism. The authors discuss practical experience and understanding of tourism development in Ethiopia assessed in face-to-face meetings and e-mail communication with key industry players, transport operators, inbound and outbound tour operators from inside and outside the country.

2. Destination Competitiveness and Indicators

Competitiveness in tourism is the determinant that summarizes attractiveness of a given tourism destination. It enhances the socio cultural, economic and environmental benefits to the current and future generations of the people in host and guest societies (Vanhole, 2006; Ritchie & Crouch, 2005; Enright & Newton, 2004; Armenska et al, 2011). It means that tourism destination competitiveness expresses the strengths and weaknesses of the destinations towards enhancing the interest of local residents, the actual and potential tourists, and the tourism industry itself. Competitiveness is a multidimensional concept that expresses contribution of different aspects of tourism such as economic development, tourism market strength, image and tourism products , social, technology and human development(Dwyer & Kim, 2003; Gooroochurn & Sugiyarto, 2005); resource deployment and endowment, destination management and leadership, demand factors(Dwyer & Kim, 2003; Crouch & Ritchie, 1999); technology, capital, labor skills, management and organization, and government policy (Trimcev & Dimoska, 2012). Destination competitiveness indicates in this way the relative strength of destination compared with the other destinations, which could be achieved with the proper match of destination management strategies and tourism resources. It is the task of the countries to utilize its resources and add value to create national wealth (Gomezelj & Mihalic, 2008).

According to Navickas & Malakauskaite (2009), tourism destination could be competitive when it has comparative superiority in tourism products and services

quality compared to other tourism destinations that aim for the same market segments. Competitiveness is vital for tourist destinations to get, keep and optimize its tourism market share with hospitality, value for money, weather, safety and security, local transport and natural environment (Kozak & Rommington, 1999).

The competitiveness of tourism destination is also related to production of high value added products and better integration with the market against the competing destinations. Tourism competitiveness is related to the level of the country's market conditions, level of social development, environmental quality, human resource development, quality of infrastructure, technological advancement and other field of development (Navickas & Malakauskaite, 2009; Gooroochurn & Sugiyarto, 2005).

We have consider all these factors part of the concept of Destination competitiveness, in which socio-cultural and environmental factors are attractors of tourism; price, human resources and infrastructure are servicing these attractors with a certain degree of easiness and attractiveness to visit the destination, while the internal and external political and economic situation are the drivers of tourism industry (Figure 1).

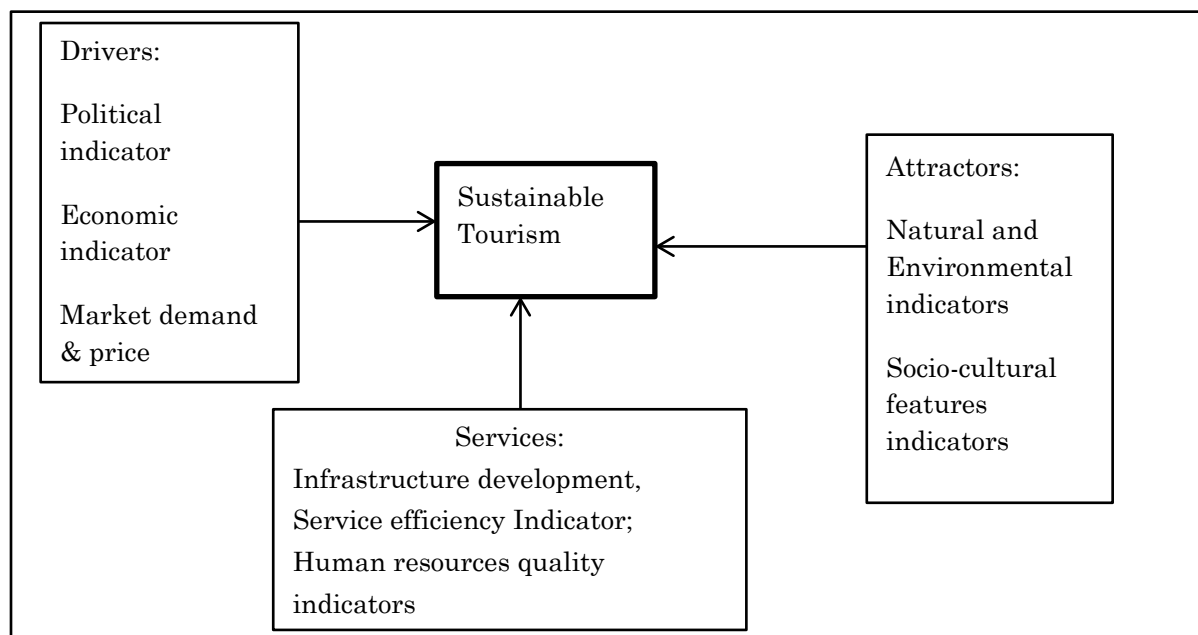


Figure 1: Conceptualizing tourism destination competitiveness

Competitiveness is a vital to create a tourism industry that can support the interests of the both the host and the guest in the process of achieving their respective goals. The aspects in the concept can be used as headline indicators.

2.1. Economic Indicators

The economic dimension of tourism destination competitiveness is the most important driver for competitiveness. Economic factor may enable destinations to maximize their expenditures to create attractive destination and attract many tourists. This would help to provide tourists satisfying experiences while enhancing and ensuring the well-beings of the local people and preserving the interest of the future generation (Ritchie & Crouch, 2005, p. 2).

In addition, the economic standard of countries has a significant impact on the tourism destination competitiveness. Rich countries have the ability to develop much better tourism infrastructures and attractive tourism products than economically weak and disadvantageous countries. This influences the nation's image and boasts their attractive tourism image Navickas & Malakauskaite, 2009; Dwyer and Kim, 2003).

2.2. Political Indicators

Political sphere is not a directly visible asset for destination competitiveness but it is also a driver of development. Countries might have a tourism development policy. Political competitiveness would also position the destination as a safe and stable place for tourists to come and enjoy the opportunities presented by a given tourist destination. Political stability makes visitors feel at home. This form of competitiveness dimension influences the attractiveness and accessibility of a tourist attraction to visitors (Ritchie & Crouch, 2005, pp. 4-5). Politics is one of the prominent factors that determine the administration and development of tourist destination. The administrative organization of a country on the tourism destination in creating additional value for the tourism products

that entirely helps to increase the quality of tourism destination and competitiveness (Navickas & Malakauskaite, 2009).

2.3. Socio- cultural Indicators

As Ritchie and Crouch (1995) articulated that reliable economic and stable political situations form the basis for competitiveness tourism destination to be able to entice tourists. The social and cultural values of the destination are more crucial as attractors of tourism as these factors differentiate destinations' products over the competitors. Organization for Economic Cooperation and Development (OECD) found out the potential role of culture for competitiveness and attractiveness of a region, place, or countries. The case studies of the OECD member countries confirmed that culture and tourism are the key drivers of countries for their economy. Culture is a means for both comparative and competitive advantages as it creates uniqueness and authenticity for the tourist experiences and connects the guest to the host at a destination (OECD, 2012). The culture and social fabrics of a destination is an asset for entrepreneurship for the host to maximize their benefits from visitors, help destinations to brand, and position their distinctive tourism product with cultural unique features in the minds of potential visitors (OECD, 2009; Dwyer & Kim, 2003).

2.4. Environmental Indicator

Environment is a major tourism attractor and its quality is vital for both the consumers and marketers. Navickas and Malakauskaite(2009) environmental competitiveness can be by scenic beauty, emblematic species, but also in a negative sense population density and the level of carbon dioxide emission in in the destination as a result of growing environmental pollution problems; environmental quality concern (Gooroochurn & Sugiyarto, 2005)and environmental quality and management (Mihalic, 2000; Dwyer & Kim, 2003). In a study on tourist attractiveness in Slovenia unspoiled nature and national parks are the highest ranked factors for attractiveness (Gomezelj and Mihalic, 2008)

2.5. Infrastructure Development and Service Efficiency Indicators

The competitiveness of tourism destinations is related with services delivered to the tourist, of which the development of quality infrastructure is very important. It requires the intervention of the both government and the private sector. It nowadays includes physical and digital infrastructure. The quality of infrastructure is important for the accessibility tourist sites, for the quality of the stay of tourists, communication and mobility at a destination. This competitiveness indicator can be measured by the road index like railroad networks, number of airlines and quality of telecommunication system, availability of hygiene infrastructure, quality of water intended for consumption (Navickas & Malakauskaite, 2009, pp. 37 - 44). Tozser(2010) finds in her study in the Matra mountains in Hungary that tourist infrastructure and safety are among the most important factors for attractiveness.

Technological assets of destination have increasingly important to ensure competitiveness. Technology is useful to increase awareness and distribution of travel experience of destinations. This could be indicated by availability of internet and other media of communication useful for the distribution of information and quality service delivery (Ritchie & Crouch, 2005). It plays a big role in producing and marketing of tourism products that could ensure the competitiveness of a given destination. Technology and innovation are crucial for tourism product production and marketing. Moreover, it include major capital assets like services from the airlines, hotel chains, tour operators and ground service handlers for intermediation, distribution and to make the product ready for final consumption together with the active involvement of the consumers (OECD, 2006). Meanwhile, technological competitiveness can include facilities at tourist destinations such as hospitals, pharmacy, electronics, and information ecology outlets that meet the needs of tourists(Navickas & Malakauskaite, 2009; Gooroochurn & Sugiyarto, 2005; Dwyer and Kim, 2003).

2.6. Human Resource Indicator

Human resource indicator is the quality of human resource at the tourist destination that it can be measured for instance, formal education distribution and quality for the standardized service quality (Navickas & Malakauskaite, 2009, pp. 37 - 44). Tourism generally requires diversified skilled practitioners like guides, event managers, consultants, marketers, front line hospitality service providers that require more diverse training and skill. However, the need for these practitioners depends on the types of tourism. For instance in cultural tourism, the skills mostly identified with the tourism practitioners are human skills, technical skills, loyalty, empathy towards their culture. In ecotourism they should, know the way in nature, be able to find key animals and plants, and be able to protect the tourists from danger besides other knowledge of the nature. Tourism professionals should have the skills for a specific event which a tourist will experience and results in boasting the destination image and competitiveness (UNWTO, 2002; Gooroochurn & Sugiyarto, 2005).

2.7. Tourism Market, Price and Quality of Life related to Indicator

Tourism destination competitiveness relates to the demand factors to natural, cultural and created resources (Gomezelj & Mihalic, 2008), of the consumer demand conditions, brand information, preferences and seasonality towards the destination product (Navickas & Malakauskaite, 2009, pp. 37 - 44). Tourism destination competitiveness also depends on the price and comparative advantage of destinations which generates a unique tourism experience as a tourist product (Kim and Dwyer, 2003). Price competitiveness is one of the significant competitiveness factors associated with costs of products and services; such as food, ground transport, souvenirs, guide, and entertainment services and related expenses incurred by tourists at a given destination to satisfy their needs and wants (Navickas & Malakauskaite, 2009; Dwyer & Kim 2003; Gooroochurn & Sugiyarto, 2005; Kozak & Rommington, 1999; Dwyer, Forsyth & Rao, 2000).

3. Tourism Development in Ethiopia

In 1965 during the reign of the last Ethiopia's emperor, Emperor Haile Selassie II, Ethiopia had implemented its first tourism development plans as a part of national integrated economic growth and development plan. Tourism was one of the key sectors that targeted for economic transformation up to the end of the period of Emperor Haile - Selassie in 1974. Ethiopia was able to register a substantial growth rate of tourist arrivals of 12% per annum (Ministry of Culture and Tourism of Ethiopia, 2009).

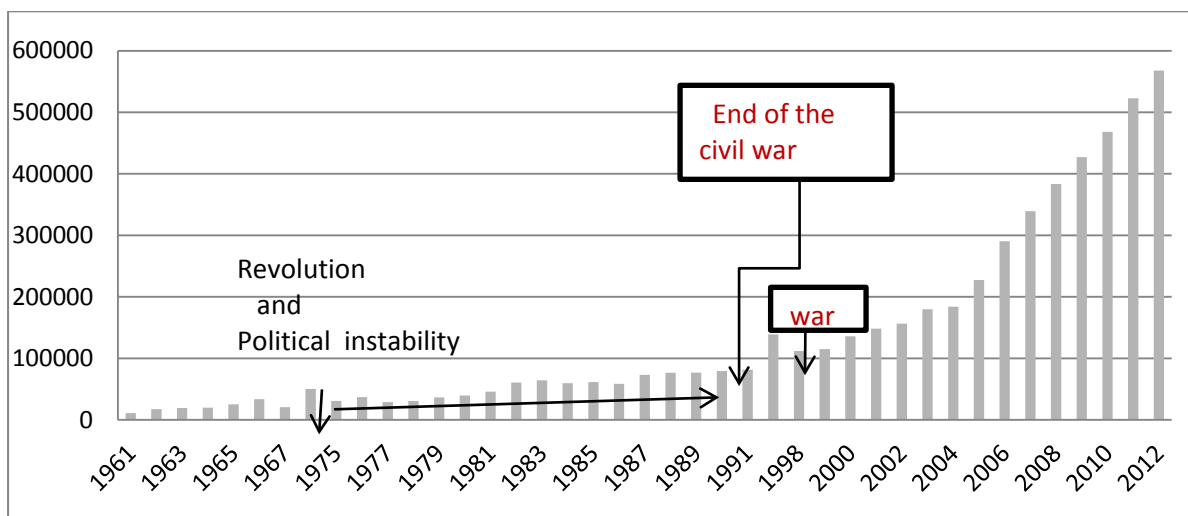


Figure 1: International Tourist Arrivals in Ethiopia (1962- 2012). The year 1967 is based on arrivals over a period of eight months. Data over the years 1968-1973 are missing.

Sources: Ministry of Culture and Tourism of Ethiopia, 2009, 2010; UNWTO, 2013, World Tourism and Travel Council, 2013)

Despite of still rather small volume, Ethiopia received before 1965 a substantial number of tourist arrivals even before the official launch of the first integrated economic development plan. This shows how the development of tourism had witnessed a relatively remarkable growth for that time (Figure 1).

Tourism grew on average rate of 12 % during the first 10 years from 1965 to 1974 (the end of the emperor Haile Selassie). For the last 4 years from 1970 to 1974, Ethiopia had on average yearly 63,383 international tourist arrivals and secured USD 10.2 million per year for the period 1970 – 1974. During those years, tourist arrivals increased to Ethiopia on average 18.2% per year and the receipt had reached up to 13% growth rate per year (Ministry of Culture and Tourism of Ethiopia, 2009). This impressive tourist arrival growth rate happened due to the socio-economic and political stability of the nation (Walle, 2010), relatively conducive political environment and good diplomatic relationships with the main tourist generating countries (Ministry of Culture and Tourism of Ethiopia, 2009).

Figure 1 shows that in 1975 the tourist arrivals rapidly declined due to the instability following the 1974 revolution that resulted in overthrowing the long-served Ethiopia's monarchical system. After, the change of government to socialism and state controlled economy, the structure discouraged private actors and created a heavy control on the travelers to Ethiopia in the form of visa regulation that curtailed the accessibility and attractiveness of Ethiopia for the main tourist generating countries, in that time mainly western tourists.

The next 18 years (1974- 1991), tourist arrivals had declined or at least did not grow until late 1980s because of the civil war, ideological difference and antagonistic diplomatic relationship with the major tourist generating countries and an important image crisis with these countries. Moreover, famine and drought occurred in some parts of the country and unfavorable working conditions for the private sector affected the tourism sector. The last 4 years from 1989 to 1992, after the shift of policy to mixed economic policy that allows private sectors actively participate in the tourism business, annual tourist arrivals reached to 83,342 tourists with the income of 23.2 million.

After 1992, with the new administration system and the open economic system, tourism has been growing considerably (Ministry of Culture and Tourism of Ethiopia, 2009). After the end of civil war in 1991, the government took social and political reforms and tourism grew largely especially in the period after 1997

(Figure 1), even though tourist arrivals had declined in 1998 following negative travel advice offered by travel advisors in major tourist generating countries following the war with Eritrea (Ministry of Culture and Tourism of Ethiopia, 2008). Ethiopia's tourism grew substantially in tourism receipts and tourist arrivals with 23.3% and 14.3% respectively in the last 14 years. However, this is still low considering the nation's tourism potential based on cultural and natural heritage.

4. The Competitiveness of Ethiopia's Tourism

Ethiopia is one of the ancient African states that displayed millions of year's paleontological records of human history and more than 3000 years of archaeological findings (Tolossa, 2012). It is famous for its ancient human civilization, nine UNESCO world heritage and three Biospheres sites. Despite its colorful culture, long history, hospitable weather and people, it is a country faced natural and manmade challenges resulting in a tourist unfriendly image.

4.1. Political Competitiveness

Ethiopia has had a long period of political instability and civil wars that made the country one of the war torn nations in the world in the 1980's. This generated an unsafe place for tourist and a bad international image related to famine and civil wars.

The end of the Eritrean war in 1991 made Ethiopia politically stable, safe and the country started friendly relations with countries all over the world. This also eased official administration such as visa regulations and the introduction of visa on arrival services at the international entry points makes the country now easy to enter for the tourists from all over the world.

The political challenges of the country is now in the opening the market for free and competitive business that can make Ethiopia competitive against the competing tourist destinations. For tourist industry practitioners and business operators, there is still an image related as being "unsafe or "insecure" when their clients think about Ethiopia. This is due to the lower political competitiveness of the

country as a safe and secured destination. This image has caused part of low level of tourist flow growth from the target markets to Ethiopia.

The current government of Ethiopia has made the commitment to give attention to tourism and to make Ethiopia one of the top ten tourist destinations in Africa by the year 2020 (Ministry of Culture and Tourism of Ethiopia, 2011). An emphasis has been laid on maximizing the poverty-reducing impacts of tourism, and utilizing tourism to transform the image of the country (Ministry of Culture and Tourism of Ethiopia, 2011). There are still major problems in Ethiopia's tourism sector due to weak, inefficient and ineffective leadership in the sector. Nevertheless, the government has been expressing its interest to give due attention for tourism development.

4.2. Economic Competitiveness

Economic reforms have contributed to the tourism development of Ethiopia. In the last decade, Ethiopia enjoyed double-digit economic growth that contributed for the tourism growth which is 10.6% per year in the period 2004/05 – 2011/12 which is the highest compared to the regional average (World Bank, 2013). This contributed for expansion of infrastructures: road, increasing tourism marketing and promotion budget, construction of dams to generate electricity, upgrading and building of transport networks to the main tourist destinations and neighboring countries that support tourism development and free and save movement of visitors.

However, Ethiopia is still a poor country with very low per capita income (World Bank, 2013); in the past, the weak economic record of the country is one of the factors that limit the growth of tourism. The financial expenditure for the development of tourism related infrastructure is limited and this is expressed in the low quality of tourist's experiences at accommodation, transportation and other tourist service outlets. This limits the quality of services, hygiene, leisure and entertainment oriented activities. Ethiopia is low competitive economically due to its' weak economic records despite rise of GDP for the last decade.

Economic constraints caused many other flaws to tourism in Ethiopia such as poor infrastructure, budget allocation for destination product development and marketing and other services that are basic to the sector.

4.3. Social and Cultural Competitiveness

Traditions and culture are major attractors for tourism into Ethiopia. Ethiopia is an old civilization (Tolossa, 2012) and has very distinct cultural and historic products based on ancient Axumite civilizations and the Ethiopian Orthodox Church, the walled Old City of Harar that is considered as the fourth holiest city in Islam. Ethiopia is considered the region where the present Homo sapiens have lived before he migrated to the Middle East, Asia and Europe. Fossilized evidence of the ancestors of Homo sapiens has found as old as 10 million year in the Ethiopian rift valley. There are many old cities such as Axum (1st Century AD), known for the Greek, Romans and Arab literatures. Ethiopia has unique tourist attractions such as the religious sites of Lalibela from 12th c, Lake Tana monasteries, and Gonder dated from the 16th and 17th c. These sites are distinctly Ethiopian, and the country as a whole is without colonial influences that are a feature in other parts of Africa (World Bank, 2006). In the southeast and southwest parts of the country, Ethiopia offers another astonishing and exotic cultural adventure with multicultural landscapes. Ethiopia is one of the most diverse countries both culturally and geographically. Most tourists admitted that Ethiopia could offer a culture of ancient tradition in unique and colorful ways in the form of architecture, painting, dance, foods, clothing, and religion in the north (Broadbent & Broadbent, 2013). In the eastern, southern, and western parts of Ethiopia ethnic-people's culture is exotic. Its culture and nature are the greatest assets for Ethiopian destination competitiveness. It could become the most important cultural destination in the African continent like Egypt and Morocco with very diverse options of cultural experiences (Broadbent & Broadbent, 2013).

4.4. Infrastructure and Service Competitiveness

Ethiopia has a poor quality of infrastructure and an absence of competitive service in many areas especially outside the main cities and town areas. Quality service can only be ensured if facilities and amenities improve and skilled labor force is available. Education has been expanded widely across all over Ethiopia but tourism training is still inadequate in both quantity and quality. Most of the tourism and hotel training schools tend to produce man-power based on knowledge only and do not teach practical skilled and a service attitude that the tourism sector needs the most (Walle, 2010). There are widespread limitations to the service quality in Ethiopian tourism sector, which makes the country's diverse tourism assets underdeveloped. The absence of coordination and public private partnership in the sector make the lion share of the inefficiency and weak competitiveness of the sector.

4.4.1. Transport Services

As a land-locked country air transport is one of the major options to get into the country and to get around the different touristic places of Ethiopia. Ethiopian Airlines and the other five private charter flight services operators are serving the air transportation services for the domestic flight but for the international flight, many flights are coming in the capital, Addis Ababa from the all corners of the world.

In the past airfare was a problem for the nation's tourism since it makes low competitive (Walle, 2010). The World Bank (2006) study on tourism marketing strategy for Ethiopia showed high price of air transport to the Addis Ababa, the Ethiopian Capital in comparison with neighboring Nairobi (Kenya) on average 14% - 80% more expensive based on the data taken from American Express Co.

Origin	2006			2014		
	Addis Ababa,	Nairobi,	Price difference	Addis Ababa	Nairobi	Price difference
Paris	1049 (KLM)	773 (KLM)	36%	713 (Turkish Airlines)	726 (Turkish Airlines)	(-) 1.8%
Milan	918 (Lufthansa)	663 (Australian)	38%	612 (Egypt Airways)	599 (Alitalia)	2%
London	750 (BA)	660 (Gulf Air)	14 %	677 (Turkish Airlines)	745 (Turkish Airlines)	(-) 10%
New York	1216 (Lufthansa)	939 (EL AL)	29%	933 (Saudi Airways)	995 (Delta Airlines)	(-) 6.6%
Singapore	2097(Singapore Airlines)	839 (Air Madagascar)	135%	1413 (Egypt Air)	1189 (Jet Airways)	19%
Hong Kong	2011(Cathay Pacific)	1110 (Emirates)	81%	1160 Kenya Airways	1107 (Qatar Airways)	7%

Table: 1 Air transport cost comparison between Addis Ababa and Nairobi for the year 2006 and 2014; 2006 is based on World bank (2006) and 2014 is based on data from Expedia (www.expedia.com) and American Express co. (-) indicates a lower price for Addis Ababa than for Nairobi.

Sources: (World Bank, 2006; Expedia INC; American Express Copany, 2014)

According to the study, the price differences occurred because few passenger flown to Addis Ababa, which increased the price, and the low level of competition to the flights to Addis Ababa (World Bank, 2006). At present the situation has completely changed due to more competition and increased air traffic. Now the price quotations from the major cities do not show big differences anymore and in several cases flight to Addis Ababa than Nairobi are even cheaper (Table 1). The prices from Asian origin, however, (Hong Kong and Singapore) are still considerably higher.

Transportation is one of the fundamental tourism service components that highly determine the level and quality of the services provided to the tourists. The nation's flag carrier is serving the domestic flights twice a day to the major tourist cultural tourist destinations in north such as Lalibella, Axum, Gondar and Bahir dar. While the trips to the southern regions of the country are mainly done by ground transportation. Domestic air transportation is monopolized mainly by Ethiopian airlines, however licensed five charter private airlines are also operating that may have an impact on the pricing due to low competition. However, tourists can access to main tourist destinations relatively easy using the services of these carriers. Domestic airports have been constructed throughout each region (table 2).

Airports in Ethiopia	Location	Status
Addis Ababa Bole International airport	Central Ethiopia	Domestic & International flights
Mekele International Airport	Northern Ethiopia	Domestic & International flights
Bahirdar International Airport	North western Ethiopia	Domestic & International flights
Dire Dawa Internatioanl Airport	Eastern Ethiopia	Domestic & International flights
Jimma domestic	South western Ethiopia	Domestic flights
Gondar	Northern Ethiopia	Domestic flights
Lalibela	Northeastern Ethiopia	Domestic flights
Axum	Northern Ethiopia	Domestic flights
Arbaminch	Souther Ethiopia	Domestic flights
Asosa	Western Ethiopia	Domestic flights
Gamebela	Western Ethiopia	Domestic flights
Jijiga	Eastern Ethiopia	Domestic flights

Source: Ethiopian Airport Enterprise, 2009

Table 2: Airports in Ethiopia

Ground transportation is also expanding since the road network is being improved as a result of the recent economic development, the government allocates

3% of the GDP and aid money that was invested for the expansion of road network (Africa Region, World Bank, 2011). To this aspect, the political and social stability of the nation are important drivers for the growth of tourism in which people want to discover the authentic culture and nature of the country by driving the privately rented 4-wheel drive from the tour operators. The rented vehicles and horses are useful to access some of the inaccessible cultural and natural destinations that could benefit the community especially in the national parks for trekkers and hikers.

One of the fundamental challenges for competitiveness of the destination is in terms of the service quality, availability and the cost of the ground transportation. The comparative study on the ground transportation cost in Ethiopia, Kenya and Zambia that showed Ethiopia is more expensive (World Bank, 2006). However, this situation has been followed up by series of related actions of the Ministry of Culture and Tourism that reduced the rising costs of the tourism in Ethiopia in collaboration with the custom and tax authority to allow licensed tour operators to have duty free modern 4 Wheel Drive cars. The road network and its quality is still low, 49,000 km where 80% of the paved road and 20 % of unpaved network is good compare to the other low- income countries (World Bank, 2013) but the rapid expansion is making a significant impact on tourism development with the result that the majority of destinations are easily accessible.

4.4.2. Accommodation Service

One of the major challenges of Ethiopia's tourism development and competitiveness is the weak and inefficient service standards of the accommodation (Walle, 2010; Tomaselli, 2012). The sector made its way to this land of ancient great civilization in the early 20th century with opening of the Hotel Tsehayitu, named and owned by the then empress of Ethiopia. The culture of hospitality is deeply rooted in Ethiopia's tradition of welcoming and serving guests for the benefit of good will and God's blessing. According to Sisay (2004), Ethiopia's tradition of serving and welcoming travelers both domestic and foreign as " God sends guest" still remains active in the most part of the country. He also states that this hospitality

tradition is the reason for the late introduction of commercial hospitality establishments in Ethiopia (Sisay, 2004).

In 2010, there are in Ethiopia about 327 Hotels with 12,571 rooms and 16,236 beds of which 86% are located in the capital city while the remaining 14% is scattered in main tourist destinations and cities. If this fraction also accounts for beds then, there are 2300 beds available in the whole country outside Addis Ababa. There are also 22 eco-lodges with 405 rooms and 838 beds outside the capital. This means for real tourism development there is a critical hotel shortage in the tourist destination mostly located in the national parks. At present, there are 112 new hotels with 4500 rooms in main tourist destinations including the capital, some of which are under construction and more than half are waiting to be classified by the Ministry's hotel standardization directorate (Ministry of Culture and Tourism, 2010).

4.5. Ethiopian Tourism Market Competitiveness

The tourism statistics of Ethiopia has revealed the limitation of Ethiopia's tourism market both in purpose of visit and geographical origin where international tourism flew in to the country (figure 3).

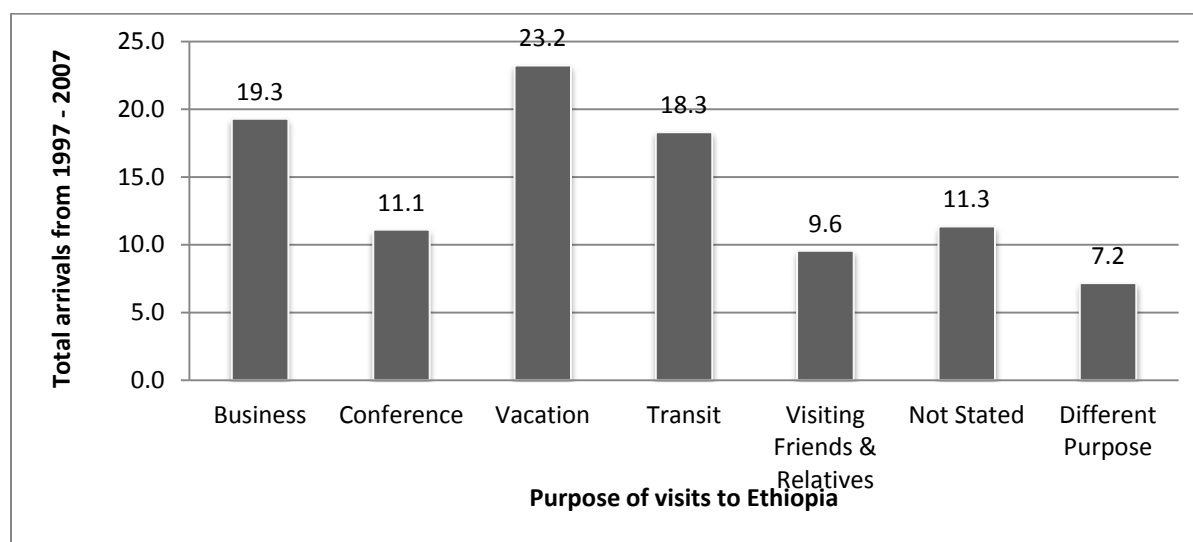


Figure 3: International Tourist to Ethiopia by purpose / motivation. Source: (Ministry of Culture and Tourism of Ethiopia, 2008).

Figure 3 represents the number of international arrivals for the ten consecutive years based on the travel motivation. Recreational purposes (constituted by vacationers and visiting friends & relative tourist segments) who were attracted by the country's main tourism products represent 32.8%. This indicates that Ethiopia is still not considered by vacationers yet since one third of tourists were come to Ethiopia for purpose of vacation. The business tourism segment has 19.3 % share. Transit and conference are the main tourist market segments because of the presence of both Africa Union and other international organizations in the capital city of Addis Ababa. The number of international arrivals based on origin revealed that Ethiopia received 32% of its visitors from Africa, 24.6% from Europe, 15.9% from America, 11.4% from the Middle East, 6.3% from Asia and 9.8% from Oceania for the period of 1997 to 2005 (Figure 4).

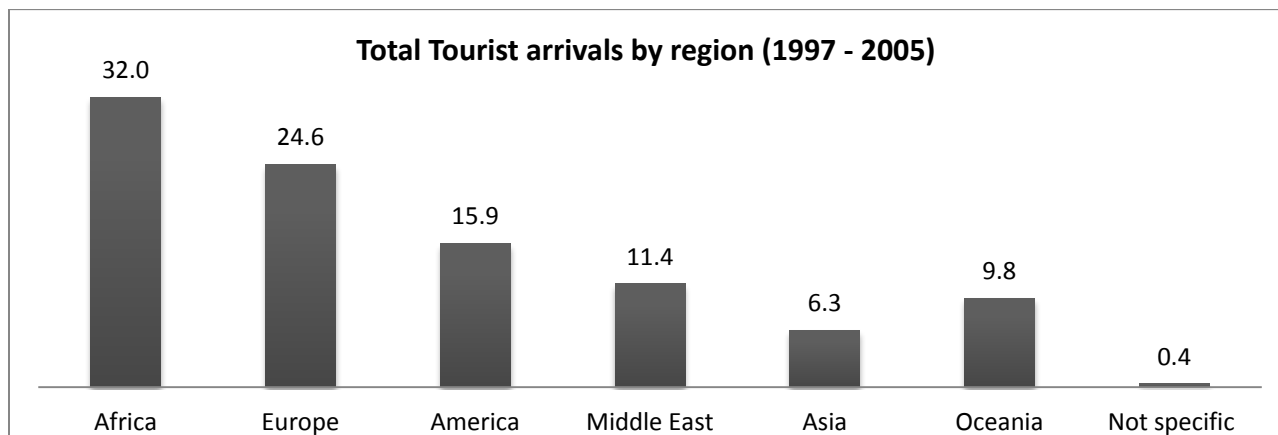


Figure 4: International tourist market segment to Ethiopia by geographic classification.

Source: (Ministry of Culture and Tourism of Ethiopia, 2008).

Tourists from Asia are low although it is the highest tourist generating region in the world. However, these tourists do want high level services. Thus, in order to sustain the growing tourism contribution to the economy of Ethiopia, there is a clear need of improving and diversifying the tourism markets of Ethiopia. Ethiopia has identified its target market as primary, secondary and emerging markets. The

primary target markets are United States, United Kingdom, Italy, France, Germany; secondary target markets are Japan, the Netherlands, Canada, Australia, Spain, Switzerland and Israel; and emerging markets including China, Russia and East- central Europe (Ministry of Culture and Tourism of Ethiopia, 2009). Beside the above target markets, African and the Middle East markets are given due attention since the socioeconomic and historical ties and geographical accessibilities between Ethiopia and these countries (Ministry of Culture and Tourism of Ethiopia, 2009). However, the tourism marketing efforts in emerging regions mainly in East-central Europe, Asia and the pacific mainly Japan, Australia do not yet raise significant numbers of travelers. This means that marketing actions which mainly can be related to the negative image, less competitiveness related to poverty and political instability in the region, but also to the poor infrastructure and accommodation situation. In interview with seven major Japanese outbound tour companies, it appeared that the most of the Japanese outbound tour companies are aware of the unique tourism potential of Ethiopia. However, the tourist unfriendly images related Ethiopia make it hard for them to convince their respective customers about their itinerary to Ethiopia.

5. The Economic Benefits of Tourism in Ethiopia

Tourism can play an important role in the economy of most countries across the globe with its' direct, indirect and induced economic impacts (World Tourism and Travel Council, 2013). As has been explained in the previous sections (3 & 4), Ethiopia's tourism went through ups and downs due to political and economic instability that triggers tourist unfriendly images. Figure 1 shows that the increasing international tourist arrivals after the nation's image and competitiveness getting improved mainly after 1992. Moreover, the rising market share of Ethiopia from an increasing international tourism market seems to be continued as the country doing well in economic, political, social, infrastructure and service competitiveness. The benefits of tourism is rising and creating income and employment opportunities in Ethiopia.

Tourism could generate \$ 1.9 Billion which is 5.1% of Ethiopia's total GDP from the tourists direct expenditures on the services and products which resulted in total contribution of \$ 4.5 Billion(12.3% of GDP) in 2012 (World Tourism and Travel Council, 2013). In the same year, tourist has created 1,085,500 direct jobs which are 4.3% of all job opportunities; it generated 2,699,000 jobs (10.6%) from tourism supply chain directly and indirectly to the total employment opportunities in Ethiopia (Figure 5 & 6).

The contribution of tourism to Ethiopia's GDP growth is still low (Figure 6) due to small volume of arrivals when we compare it with other major tourist destinations in Africa which are visited by millions of tourists every year (World Tourism and Travel Council; World Bank; 2013). However, tourism employment created out of tourism in Ethiopia is higher (Figure 5).

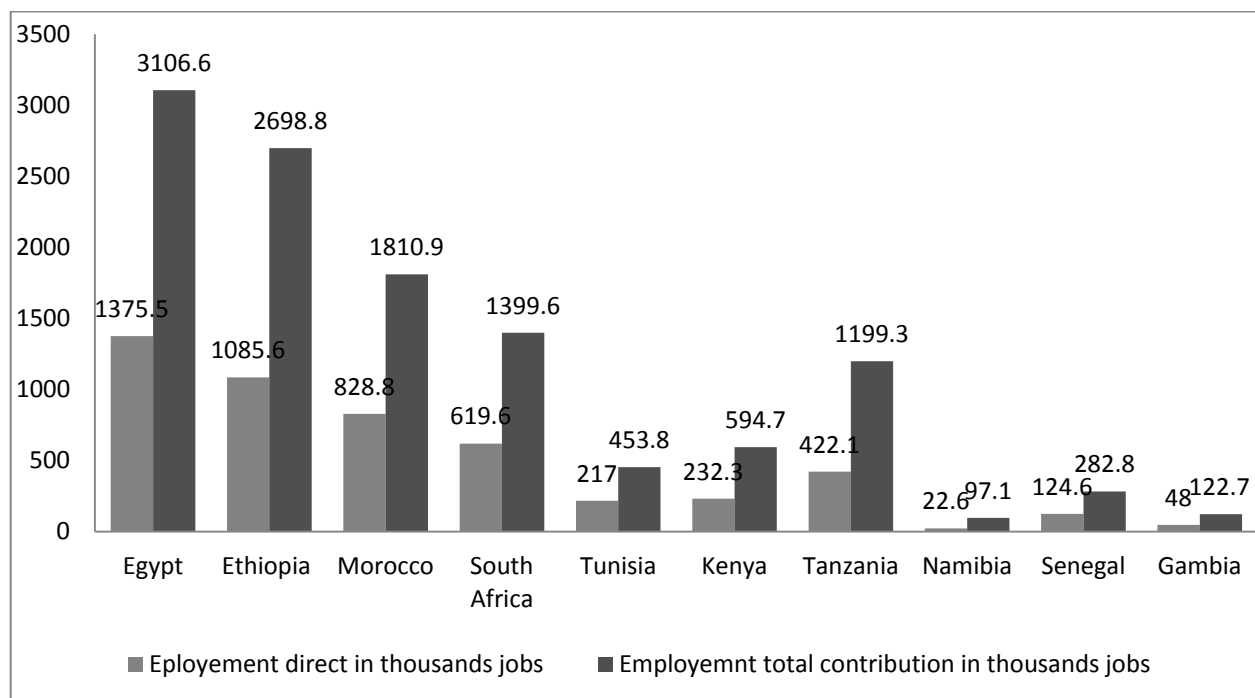


Figure: 5 Employment Opportunities from tourism in major tourism destination in Africa

Source: World Tourism and Travel Council, 2013

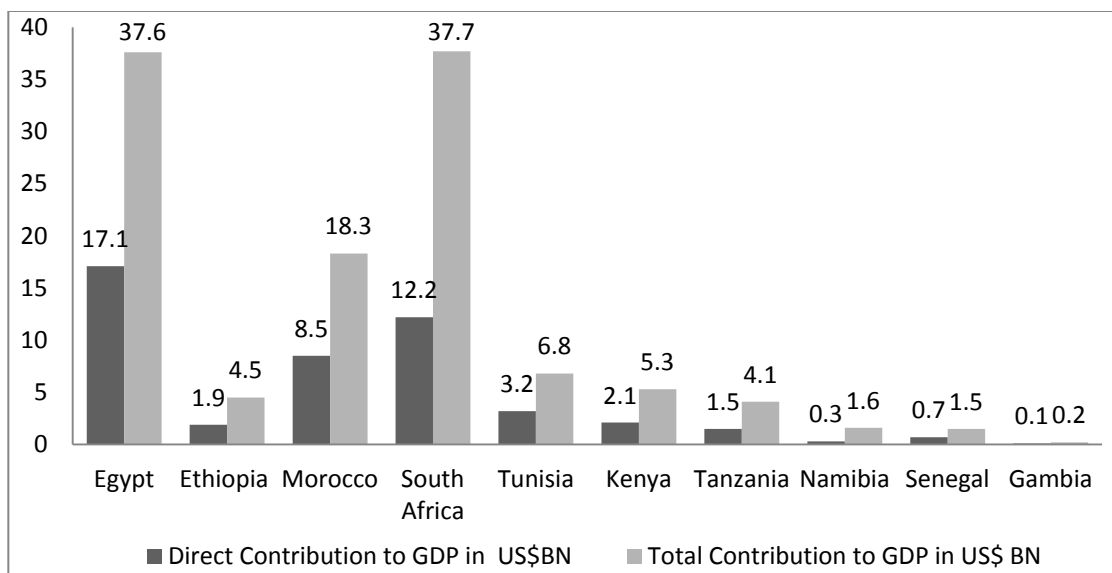


Figure 6: Tourism Contribution to GDP in US \$ BN in selected African countries

Source: World Tourism and Travel Council, 2013

6. Conclusions

The economic sustainability of tourism can be assessed by destination competitiveness indicators that enhance the sustainable development of tourism at a destination. Tourism is growing fast in Ethiopia since 1991, which is related with the relative improvement in political, economic, infrastructure and tourism service competitiveness despite all of these and other key issues need further improvement. As a result of this, tourism contributed 5.1 % directly and 12.3% GDP rise from total contribution to the Ethiopia's fast growing economy. The study has indicated the rise of tourism contribution to the economy and employment opportunity; there is a potential to sustain if Ethiopia as a destination keep improving in economic, political, social, and other determinant indicators of competitiveness. The political stability induced image of Ethiopia as a safer and secured destination and tourist flew proportionally.

The discussion underlines the need for a more improvement of Ethiopia's destination competitiveness to sustain the existing contribution of tourism to the local economy; income and employment opportunities for millions of Ethiopians. A greater level of improving of Ethiopia's destination competitiveness will enhance the sustainable economic contribution of tourism to Ethiopia's economy.

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